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MEDIA RELEASE

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Coalition moves to cut red tape from Government paid parental leave scheme

The Coalition will introduce legislation to end the needless and pointless red tape and compliance burden being imposed on employers under the Gillard Labor Government's paid parental leave scheme.

Despite strong objection to this new bureaucratic requirement from small business organisations and employer groups, the Gillard Government insisted that employers act as 'pay clerks' and handle the Government-funded payments for their eligible employees.

The Coalition amendments, supported at the time by the Senate, will be reintroduced to Parliament as a Private Members' Bill and will seek to have Centrelink's Family Assistance Office directly make payments to eligible workers.

If it is good enough for Centrelink to administer payments under the scheme for the first 6 'transitional' months and for the Government to invest taxpayer funds in setting up the necessary systems, it makes perfect sense to continue these arrangements indefinitely.

The Government has failed to offer any compelling reason for forcing on employers pointless 'PPL pay-clerk' responsibilities while employers face increased red-tape and costs of revising pay systems, receiving and reconciling Government instalments, and passing on payments.

These needless costs, red-tape burdens and compliance risks are particularly problematic for smaller employers without dedicated payroll staff.

All employers should be concerned about the Government's failure to ensure that handling Government-funded PPL payments will not add further costs by increasing payroll tax and worker compensation premiums.

No State or Territory has taken additional action the Government said would expressly exempt paid parental leave payments from the calculation of payroll tax and workers compensation, and the question of additional employer superannuation liabilities has simply been deferred.

The Government has also failed to rule out using the 'pay clerk' administrative systems and machinery, to change the current encouragement for employers to 'top up' Labor's deficient scheme, to a 'fit up' obligation on employers to increase the taxpayer-funded 'minimum wage' payments.

The only certain way of reducing the compliance burden, 'pay clerk' costs and the risk of additional payroll-related expenses is for Parliament to pass the Coalition's Bill.

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